

**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

**FILE:** B-211859

**DATE:** June 6, 1983

**MATTER OF:** American Construction Management

**DIGEST:**

A contracting agency may properly cancel a solicitation after bid opening where it determines that sufficient funds are not available for award.

American Construction Management protests the cancellation of invitation for bids (IFB) No. 537-69-83 issued by the Veterans Administration Westside Medical Center (VA) for the installation of an ethylene oxide ventilation system.

We summarily deny the protest.

The VA canceled the IFB for insufficient funds after bid opening.

Contracting officers have broad discretion to cancel a solicitation. However, because the cancellation of a solicitation after bid opening and after prices are exposed tends to discourage competition, the Federal Procurement Regulations (FPR) and our cases require that the contracting officer have a "compelling reason" to reject all bids and cancel a solicitation after bids have been opened. FPR § 1-2.404-1(a) (1964 ed., circ. 1); Bentley, Inc., B-200561, March 2, 1981, 81-1 CPD 156. In this connection, we have taken the position that an agency's determination that funds are not available for contract obligation is a sufficient reason upon which to cancel a solicitation and that it is not our role to question the unavailability of funds. Genco Tool and Engineering Co., 61 Comp. Gen. 281 (1982), 82-1 CPD 175.

*Milton J. Fowler*  
for  
Comptroller General  
of the United States

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